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The City of  
**BARSTOW**  
California

July 7, 1978

Real property Tax -- California  
Municipal budgets -- " -- Barstow  
Barstow - approp & espacial

Jack Leister, Head Librarian  
Institute of Governmental Studies  
109 Moses Hall  
University of California  
Berkeley, CA 94720

Dear Mr. Leister:

In response to a letter written by Eugene C. Lee on June 19, 1978, transmitted herewith are reports prepared for the City Council of the City of Barstow in the past weeks concerning the impact of Proposition 13.

Transmitted are a memorandum to the City Council concerning the Proposed 1978-79 Fiscal Year Budget dated June 12, 1978 and an Agenda Item recommending the adoption of the preliminary fiscal year 1978-79 General Fund Budget dated June 30, 1978.

Sincerely,

*Robert F. Beach*

Robert F. Beach  
City Manager

mn

Transmittals

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The City of  
**BARSTOW**  
California

TO: City Council

June 12, 1978

FROM: L City Manager

SUBJECT: Proposed 1978-79 Fiscal Year Budget

The proposed 1978-79 fiscal year general fund budget was prepared based on certain assumptions. These were: 1) that no new or increased taxes would be levied; 2) that no new or expanded services would be provided; 3) that personnel would not be increased; 4) that no property tax revenue, except voter approved debt service would be received.

Even under these very conservative assumptions, the proposed budget is balanced with a modest surplus. The proposed budget provides funds to implement the Memoranda of Understanding with the three labor organizations recognized by the City which have been negotiated in accordance with the City Council's instructions, and funds for salary and benefit cost of living adjustments for the unrepresented employees of the City.

The attached Summary of Funds Available for Capital Outlay Programs shows that during the program period \$3,653,800 will be available, with \$2,034,000 of this amount available in ~~INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY~~ fiscal year 1978-79. In addition, the projected general fund balance ~~for~~ fiscal year 1977-78 is \$935,000 of which \$509,000 is in excess of the amount required for a general reserve. JUL 10 1978

The projected budget for the 1979-80 and 1980-81 fiscal years contain modest deficits. The deficits derive from the conservative assumption above stated. The attached Summary of Budget Status and Alternatives for Balancing Projected Budgets demonstrate several alternative means of balancing these projected budgets. The decision as to how best to balance the future year budgets does not have to be made at this time.

In order to proceed with the budget process it is necessary to define salary expenses which constitute most of the general fund budget. The attached Resolution would approve the Memoranda of Understanding with the various recognized employee organizations. It is recommended that this resolution be adopted at this time.

In order to realize the cost reductions projected in the Summary of Budget Status and Alternatives for Balancing Projected Budgets, it is necessary for the City Manager to have the authority to decline to fill any authorized position vacated because of resignation, retirement or other reasons.



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**BARSTOW**

City Council

-2-

June 12, 1978

It is recommended that the City Council, by motion, grant the City Manager such authority.

Finally, it is recommended that the City Council review the policy items listed in the budget and give the staff direction relative thereto.

Respectfully submitted,

*Robert F. Beach*

Robert F. Beach  
City Manager

RFB:jk



CITY OF BARSTOW  
Summary of Funds Available for  
Capital Outlay Program

FUND	BALANCE 6/30/78	78-79	79-80	80-81	81-84	TOTAL
(1) C.D.F.	-0-	334,000	183,100	186,200	560,000	1,263,300
W.C.R.F.	436,000	28,000	28,000	28,000	84,000	604,000
F.R.S.	125,000	6,000	-0-	-0-	-0-	131,000
G.T.F.	300,000	19,000	8,000	4,000	-0-	331,000
L.T.F.	-0-	64,000	68,000	72,500	247,000	451,500
C.O.F.	515,000	33,000	14,000	7,000	-0-	569,000
U.U.F.	148,000	26,000	26,000	26,000	73,000	304,000
TOTAL	1,524,000	510,000	327,100	323,700	969,000	3,653,800

(1) Does not include housing rehabilitation program.

Restrictions

The following restrictions apply to the expenditure of the various revenues listed above:

C.D.F. - Community Development Funds consist of those monies made available pursuant to the Federal Housing and Community Development Act of 1974. In allocating these funds, maximum feasible priority must be given to projects which benefit low or moderate income families or aid in the prevention or elimination of slums or blight.



W.C.R.F. - Wastewater Capital Reserve Funds consist of monies paid into a sinking fund from the Sewer Fund of the City representing the depreciation on City sewage treatment facilities and major sewage collection facilities. Wastewater Capital Reserve Funds may be expended for any capital outlays for wastewater treatment projects. Such projects may involve the expansion of treatment and disposal works, the improvement of treatment works to meet upgraded water quality requirements, reclamation and reuse improvements or construction, the modification of treatment works because of obsolescence, the replacement and rehabilitation of treatment facilities, and the construction or replacement of major sewage collection facilities.

R.P.F. - Redevelopment Project Funds consist of monies derived from incremental increases in the assessed valuation of the Project area and the proceeds of loans, advances and bond sales made in anticipation of such monies. These funds may be expended for a broad spectrum of capital improvements and land acquisition. Expenditures must be made for facilities within or which serve the Project area.

F.R.S. - Federal Revenue Sharing Funds may be used for any municipal purpose including matching other federal grants-in-aid.

G.T.F. - Gasoline Tax Funds may generally be expended only for right-of-way acquisition and construction on the City's Select System of Streets.

L.T.F. - Local Transportation Funds consist of those monies subvented to the City pursuant to the Mills-Alquist-Deddeh Act. Local Transportation Funds may be expended for transportation planning, public transportation, and right-of-way acquisition and construction of local streets and roads, including facilities provided for the exclusive use by pedestrians and bicyclists.

C.O.F. - Capital Outlay Funds consist of those General Fund surpluses transferred to the Capital Outlay Fund and any funds raised from the levy of a Capital Outlay Ad Valorem Tax. Capital Outlay Funds may be expended for any municipal capital improvement.

U.U.F. - Underground Utility Funds consist of those monies provided by Southern California Edison Company and other utilities pursuant to their Rule No. 20, approved by the California Public Utilities Commission.



CITY OF BARSTOW  
 Summary of Budget Status and Alternatives  
 For Balancing Projected Budgets

DESCRIPTION	FISCAL YEARS		
	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
Projected Revenues per budget	\$4,333,140	\$3,801,040	\$4,032,340
Projected Expenditures per budget	<u>4,323,965</u>	<u>4,014,340</u>	<u>4,361,525</u>
Sub-total excess (deficit)	<u>\$ 9,175</u>	<u>\$ (213,300)</u>	<u>\$ (329,185)</u>

ALTERNATIVES TO BALANCING FUTURE YEARS

1) City of Barstow prorated share of property taxes pursuant to current interpretation of Proposition 13	\$ 223,700	\$ 228,180	\$ 232,750
2) Increase sewer service, building and zoning fees to replace subsidy formerly funded by property taxes 1)	\$ 182,095	\$ 213,045	\$ 234,590
3) Cost reductions 2)	\$ 50,000	250,000	\$ 270,000
4) Transfer of additional Local Transportation Funds for maintenance	\$ 64,000	\$ 68,000	\$ 72,500

Notes:

- 1) Includes \$10,000 for increased service charges, other than for sewers.
- 2) Includes cost savings resulting from attrition during 1978-79 and additional staffing changes to be effective July 1, 1979, if necessary.



The City of  
**BARSTOW**  
 California

AGENDA MATTER  
 FUND BUDGET

ADOPTION OF PRELIMINARY FISCAL YEAR 1978-79 GENERAL

SUMMARY STATEMENT

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City Council has heretofore reviewed all the general fund budget. The attached summary represents the staff's latest budget adjustments due to changes in operating conditions and additional information received. The general fund budget is balanced for the next three fiscal years, with small surpluses in each year.

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Section 37208 of the Government Code prohibits the payment of warrants drawn in payment of demands prior to audit by the City Council unless such payments conform to an approved budget.

RECOMMENDED ACTION

It is recommended that the City Council adopt the Preliminary General Fund Annual Budget, 1978-79 as amended per the attached summary.

PROPOSED BY	FUNDING SOURCE	FUNDS BUDGETED	MEETING DATE
Finance Director	N.A.	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	June 30, 1978
C.H. APPROVAL	AMOUNT REQ'D	CATEGORY	ITEM NUMBER
<i>[Signature]</i>	N.A.	Finance	



**CITY OF BARSTOW**  
**SUMMARY OF GENERAL FUND BUDGET STATUS**

<u>PRELIMINARY BUDGET</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
Revenues	4,333,140	3,801,040	4,032,340
Expenditures	4,323,965	4,014,340	4,361,525
Sub-Total Excess (Deficit)	9,175	( 213,300 )	( 329,185 )

POLICY ITEMS

Lighting Program	( 2,000 )	( 2,000 )	( 2,000 )
Phone System - P.D.	( 1,160 )	( 885 )	( 885 )
Reclassification - Central Garage	( 1,600 )	( 1,700 )	( 1,800 )

REVENUE ADJUSTMENTS

Property Tax Distribution(1)	320,153	332,900	346,300
Interest Income	10,000	10,000	10,000
Reduce Transfers to General Fund:			
Gas Tax	( 89,000 )	( 50,000 )	--
L.T.F.	( 100,000 )	( 40,000 )	--
Revenue Sharing	( 50,000 )	--	--

EXPENDITURE ADJUSTMENTS

Reduction of Costs due to Administrative Contract -			
Dial-A-Ride	( 5,500 )	( 5,500 )	( 5,500 )
PERS (prior service credit)(2)	( 20,000 )	( 21,000 )	( 22,000 )
WCIF Funding(3)	81,602	71,602	61,494
Liability Insurance	( 12,000 )	( 15,000 )	( 18,000 )
CETA (PERS)(4)	40,000	--	--
Sub-Total Excess (Deficit)	<u>10,760</u>	<u>4,913</u>	<u>6,436</u>

NOTES

- (1) Pursuant to confirmation of SB 154 by County.
- (2) Assumes payment of \$140,000 to PERS for prior service credit for public safety employees.
- (3) Maximum amount necessary to fund wastewater capital improvement fund pursuant to Resolution No. 1659.
- (4) Notified this week that Department of Labor does not intend to waive requirement that PERS expenditures applicable to CETA employees will be reimbursed by the Federal Government as it has previously.



FUND	BALANCE 6/30/78	78-79	79-80	80-81	81-84	TOTAL
C.D.F. <sup>(1)</sup>	- 0 -	334,000	183,100	186,200	560,000	1,263,300
W.C.R.F.	484,000	28,000	28,000	28,000	84,000	652,000
F.R.S.	125,000	56,000	- 0 -	- 0 -	- 0 -	181,000
G.T.F.	271,000	108,000	58,000	4,000	- 0 -	441,000
L.T.F.	- 0 -	164,000	108,000	72,500	247,000	591,500
C.O.F.	840,300	33,000	14,000	7,000	- 0 -	894,300
U.U.F.	148,000	26,000	26,000	26,000	78,000	304,000
TOTAL	1,868,300	749,000	417,100	323,700	969,000	4,327,100

(1) Does not include housing rehabilitation program.

#### Restrictions

The following restrictions apply to the expenditure of the various revenues listed above:

C.D.F. - Community Development Funds consist of those monies made available pursuant to the Federal Housing and Community Development Act of 1974. In allocating these funds, maximum feasible priority must be given to projects which benefit low or moderate income families or aid in the prevention or elimination of slums or blight.

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